

EXHIBIT C

OFFERING MEMORANDUM

STRICTLY CONFIDENTIAL

\$800,000,000

TYCO INTERNATIONAL GROUP S.A.

\$400,000,000 5.875% Notes due 2004

\$400,000,000 6.125% Notes due 2008

Fully and Unconditionally Guaranteed by



This is an offering by Tyco International Group S.A. (the "Company") of two series of Notes: \$400,000,000 of 5.875% Notes due 2004 and \$400,000,000 of 6.125% Notes due 2008. Interest on each series of Notes is payable on May 1 and November 1 of each year, beginning May 1, 1999.

The Notes are unsecured and unsubordinated obligations of the Company and are fully and unconditionally guaranteed on an unsecured and unsubordinated basis by Tyco International Ltd. ("Tyco"), the Company's corporate parent.

The Company may redeem all or part of the Notes of either series at any time at the greater of their principal amount or the discounted present value of the remaining scheduled payments of principal and interest plus, in each case, accrued and unpaid interest. In addition, if certain changes to Luxembourg withholding taxes occur, the Company may redeem all such Notes, as more fully described in this Offering Memorandum.

The Notes are expected to be eligible for trading in the Private Offering, Resales and Trading through Automated Linkage ("PORTAL") market of the National Association of Securities Dealers, Inc.

	Price to Investors	Discounts and Commissions	Proceeds to the Company
Per 2004 Note	99.959%	.625%	99.334%
Total	\$399,836,000	\$2,500,000	\$397,336,000
Per 2008 Note	99.249%	.650%	98.599%
Total	\$396,996,000	\$2,600,000	\$394,396,000

Purchasers of the Notes also will be required to pay accrued interest, if any, from the date the Notes are issued to the date the Notes are delivered.

The Notes are being sold only to "Qualified Institutional Buyers" under Rule 144A, institutional "Accredited Investors" under Rule 501(a) and non-U.S. persons under Regulation S. Because the Notes are not registered, they are subject to certain restrictions on resale described under "Notice to Investors."

The Notes should be delivered on or about November 2, 1998 through the book-entry facilities of The Depository Trust Company.

LEHMAN BROTHERS
CREDIT SUISSE FIRST BOSTON

J.P. MORGAN & CO.
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

October 28, 1998

TABLE OF CONTENTS

	Page
Where Can You Find More Information	1
Tyco International Ltd.	3
The Company	3
Current Developments	4
Use of Proceeds	5
Capitalization of Tyco	6
Selected Consolidated Financial Data	7
Description of the Notes and the Guarantees	12
Enforcement of Civil Liabilities	30
Exchange Offer; Registration Rights	31
Certain United States Federal Income and Luxembourg Tax Consequences	33
Notice to Investors	35
Plan of Distribution	37
Legal Matters	38
Independent Accountants	39
Form of Letter to be Delivered by Institutional Accredited Investors	A-1

WHERE YOU CAN FIND MORE INFORMATION

Tyco files annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document filed by Tyco or the Company with the SEC at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information of the public reference rooms and their copy charges. Tyco's Common Shares are listed on the New York Stock Exchange, as well as on the London and Bermuda Stock Exchanges. You can obtain information about Tyco from the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

This Offering Memorandum "incorporates by reference" the information filed or to be filed by Tyco with the SEC. The information incorporated by reference is an important part of this Offering Memorandum. The following documents that have been filed with the SEC, as well as all other documents filed by Tyco with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Offering Memorandum and prior to the closing of this Offering, are incorporated by reference into this Offering Memorandum:

1. Tyco's Transition Report on Form 10-K for the nine month transitional period ended September 30, 1997. ✓
2. Tyco's Transition Report on Form 10-K/A for the nine month transitional period ended September 30, 1997. ✓
3. Tyco's Quarterly Reports on Form 10-Q for the fiscal quarters ended December 31, 1997, March 31, 1998 and June 30, 1998. ✓
4. Tyco's Current Report on Form 8-K filed on March 6, 1998. ✓
5. Tyco's Current Report on Form 8-K filed on March 11, 1998. ✓
6. Tyco's Current Report on Form 8-K filed on April 23, 1998. ✓
7. Tyco's Current Report on Form 8-K/A filed on May 13, 1998. ✓
8. Tyco's Current Report on Form 8-K filed on June 24, 1998. ✓

- ✓ 9. The Unaudited Pro Forma Combined Condensed Financial Information, including the notes thereto, included in Tyco's Registration Statement on Form S-4 filed on September 1, 1998.

You may request a copy of these filings at no cost, by writing or calling Tyco at the following address or telephone number:

Tyco International Ltd.
The Gibbons Building
10 Queen Street
Hamilton HM11, Bermuda
(441) 292-8674

This Offering Memorandum also incorporates by reference the following information contained in the periodic reports of United States Surgical Corporation which was acquired by Tyco on October 1, 1998:

1. US Surgical's audited consolidated financial statements, including the accounting policies and notes thereto, included in its annual report on Form 10-K for the year ended December 31, 1997.
2. US Surgical's unaudited consolidated financial statements and notes thereto included in its quarterly reports on Form 10-Q for the quarterly periods ended March 31, 1998 and June 30, 1998.

Information on US Surgical can also be obtained from the SEC or the New York Stock Exchange or from Tyco, as set forth above.

You should rely only on the information provided or incorporated by reference or provided in this Offering Memorandum. Neither Tyco nor the Company has authorized anyone else to provide you with different information. You should not assume that the information in this Offering Memorandum is accurate as of any date other than the date on the front of this document.

TYCO INTERNATIONAL LTD.

Tyco is a diversified manufacturing and service company that, through its subsidiaries:

- designs, manufactures and distributes disposable medical supplies and other specialty products, and conducts vehicle auctions and related services;
- designs, manufactures, installs and services fire detection and suppression systems and installs, monitors and maintains electronic security systems;
- designs, manufactures and distributes flow control products; and
- designs, manufactures and distributes electrical and electronic components and designs, manufactures, installs and services undersea cable communication systems.

Tyco's strategy is to be the low-cost, high quality producer and provider in each of its markets. It promotes its leadership position by investing in existing businesses, developing new markets and acquiring complementary businesses and products. Combining the strengths of its existing operations and its business acquisitions, Tyco seeks to enhance shareholder value through increased earnings per share and strong cash flows.

On July 2, 1997, a wholly-owned subsidiary of what was formerly called ADT Limited ("ADT") merged with Tyco International Ltd., a Massachusetts corporation ("Former Tyco"). Upon consummation of the merger, ADT (the continuing public company) changed its name to Tyco International Ltd.

Tyco's registered and principal executive offices are located at The Gibbons Building, 10 Queen Street, Suite 301, Hamilton HM 11, Bermuda, and its telephone number is (441) 292-8674. The executive offices of Tyco's principal United States subsidiary, Tyco International (US) Inc., are located at One Tyco Park, Exeter, New Hampshire 03833, and its telephone number is (603) 778-9700.

THE COMPANY

Tyco International Group S.A., a Luxembourg company (the "Company"), is a wholly-owned subsidiary of Tyco. The registered and principal offices of the Company are located at 6, Avenue Emile Reuter, 2nd Floor, L-2420 Luxembourg, and its telephone number is (352) 464-340-1. Through its subsidiaries, the Company owns substantially all of the assets, and engages in substantially all of the businesses, owned or engaged by Tyco.

CURRENT DEVELOPMENTS

On September 22, 1998, Tyco announced that it had entered into a definitive agreement with Bessemer Holdings, L.P. to acquire Graphic Controls Corporation, for approximately \$460 million in cash and the assumption of certain outstanding debt. Graphic Controls, with sales of approximately \$280 million in 1997, is a leading designer, manufacturer, marketer and distributor of disposable medical products used in the diagnosis, monitoring and treatment of cardiovascular and neurological ailments, childbirth, imaging, surgical procedures and infection control. Consummation of the transaction is subject to certain customary conditions. There can be no assurance that the transaction will be consummated.

On October 1, 1998, Tyco consummated its acquisition of United States Surgical Corporation. US Surgical, with annual revenues of approximately \$1.4 billion, develops, manufactures and markets a line of surgical wound closure products and advanced surgical products to hospitals throughout the world. Shareholders of US Surgical received 0.7606 shares of Tyco for each share of US Surgical. As a result, a total of approximately 59.2 million shares were issued by Tyco to US Surgical stockholders. US Surgical is a defendant in several legal actions for alleged patent infringement which are described in US Surgical's documents filed with the SEC. Tyco believes that even if all such actions were determined adversely to US Surgical, such determinations would not have a material adverse effect on Tyco or the Company, although there can be no assurance in this regard.

On October 22, 1998, Tyco announced its results of operations for the fiscal year ended September 30, 1998. For fiscal 1998, diluted earnings before extraordinary items were \$1.18 billion, or \$2.02 per share, a 51% increase over the diluted earnings per share of \$1.34 for the comparable twelve months ended September 30, 1997. Sales for the fiscal year were \$12.31 billion, or a 25% increase over the prior year's sales of \$9.88 billion. The prior year's results reflect the mergers with ADT, Keystone International, Inc. and INBRAND Corporation, which were accounted for under the pooling of interests method of accounting and are before non-recurring charges and extraordinary items. The increases reflect internal growth as well as growth through acquisitions. The internal growth generated was enhanced by continued worldwide expansion of products and services coupled with productivity enhancements which improved profit margins. Earnings of Tyco's Disposable and Specialty Products group increased 42% to \$643.7 million in fiscal 1998 compared to \$452.3 million last year. Earnings of Tyco's Fire and Security Services group increased 45% to \$654.9 million in fiscal 1998, compared to \$452.5 million last year. Earnings of Tyco's Flow Control group increased 33% to \$325.9 million in fiscal 1998, compared to \$245.5 million last year. Earnings of Tyco's Electrical and Electronic Components group increased 131% to \$367.5 million in fiscal 1998, compared to last year's earnings of \$158.8 million.

Tyco's announced results do not reflect the acquisition of US Surgical, which was consummated on October 1, 1998. US Surgical's results of operations for the three and nine months ended September 30, 1998 are not available at this time. It is expected that US Surgical will recognize certain one time charges, which charges may be significant, during the quarter ended September 30, 1998. In addition, Tyco will incur merger and integration charges related to the Tyco-US Surgical merger during its fiscal quarter ending December 31, 1998. See Notes 6 and 7 to the unaudited pro forma combined condensed financial information with respect to Tyco's acquisition of US Surgical incorporated by reference into this Offering Memorandum. See "Where You Can Find More Information." The impact on cash flows of the US Surgical charges for the quarter ended September 30, 1998 and the Tyco charges for the quarter ending December 31, 1998 is estimated to be between \$250 million and \$300 million in the aggregate, which will be expended over an approximate 15 to 18 month period.

The following table sets forth the announced summary results of operations of Tyco for fiscal 1998, compared to the twelve months ended September 30, 1997. References to "\$" in the following table and everywhere else in this Offering Memorandum mean United States dollars.

	For the twelve months ended	
	September 30, 1998	September 30, 1997
	(In millions except per share amounts)	
Sales	\$12,311.3	\$9,888.0
Income before income taxes	\$ 1,718.4	\$1,093.3
Income taxes	(541.3)	(374.5)
Income before extraordinary item	\$ 1,177.1	\$ 718.8
Earnings per share:		
Basic	\$ 2.07	\$ 1.41
Diluted	\$ 2.02	\$ 1.34
Common equivalent shares:		
Basic	568.6	509.8
Diluted	586.8	545.2

- (A) Year ended September 30, 1998 excludes an extraordinary loss of \$2.4 million after-tax, relating to the early extinguishment of debt. The results are not restated for US Surgical, which was acquired on October 1, 1998.
- (B) Twelve months ended September 30, 1997 is restated for poolings of interest with ADT, Keystone, and INBRAND, and is before merger, restructuring and non-recurring items of \$1.43 billion after-tax and extraordinary losses of \$60.9 million after-tax.
- (C) Effective October 1, 1997, Tyco adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share," which requires restatement of prior period earnings presented after the effective date. The restatement did not effect reported diluted earnings per share for 1997.
- (D) Earnings per share based on diluted shares assumes conversion of certain debt into common shares. Accordingly, net interest expense of \$7.2 million in the year ended September 30, 1998 and \$13.8 million in the twelve months ended September 30, 1997 must be added back to income before extraordinary item for computing diluted earnings per share.

USE OF PROCEEDS

The Company estimates that its net proceeds from the sale of the Notes, after deducting the Initial Purchasers' discount and offering expenses, will be approximately \$791.7 million. Such proceeds are expected to be used to repay borrowings under the Company's \$2.25 billion bank credit agreement. As of October 26, 1998, there was \$1.50 billion outstanding under the bank credit agreement, bearing interest at a weighted average rate of 6.04% and having current maturities of beyond one year. The borrowings under this facility were primarily incurred in connection with certain business acquisitions in fiscal 1998, including, among others, the Wells Fargo Alarm business of Borg-Warner Security Corporation, Sigma Circuits Inc., Rust Environmental and Infrastructure, Inc., CIPE and Sherwood, Davis & Geck; a final payment for the acquisition of Tyco Submarine Systems Ltd.; and repayment of US Surgical's committed credit facilities. Certain affiliates of the Initial Purchasers are lenders under the bank credit agreement and will receive a significant portion of the net proceeds of the Offering. For more information, see "Capitalization of Tyco" and "Plan of Distribution."

CAPITALIZATION OF TYCO

The following table sets forth the consolidated capitalization of Tyco (i) on an actual basis as of June 30, 1998, (ii) on a pro forma basis to give effect to the merger with US Surgical, changes in amounts outstanding under the Company's \$2.25 billion bank credit agreement and uncommitted lines of credit through October 26, 1998 in connection with certain business acquisitions, including, among others, Wells Fargo, Sigma Circuits, Rust, CIPE, Sherwood and TSSL and repayment of amounts outstanding under US Surgical's committed credit facilities and (iii) as adjusted to give effect to the issuance of the Notes and the application of the net proceeds thereof. This table should be read in conjunction with the consolidated financial statements of Tyco and the related notes and the unaudited pro forma combined condensed financial information with respect to Tyco's acquisition of US Surgical and the related notes, in each case incorporated by reference into this Offering Memorandum. See "Where You Can Find More Information" and "Use of Proceeds."

	June 30, 1998		
	Actual	Pro Forma	As Adjusted
(In millions, except share data)			
Loans payable and current portion of long-term debt:	\$ 310.0	\$ 308.1	\$ 308.1
Long-term debt:			
Bank and acceptance facilities	\$ 1.8	\$ 1.8	\$ 1.8
Bank credit agreement	500.0	1,503.0	711.3
Uncommitted lines of credit	310.0	308.1	308.1
8.125% public notes due 1999	10.5	10.5	10.5
8.25% senior notes due 2000	9.5	9.5	9.5
6.5% public notes due 2001	299.0	299.0	299.0
6.125% public notes due 2001	746.8	746.8	746.8
9.25% senior subordinated notes due 2003	14.1	14.1	14.1
6.375% public notes due 2004	104.5	104.5	104.5
6.375% public notes due 2005	742.3	742.3	742.3
7.25% senior notes due 2008-US Surgical	—	300.0	300.0
Zero coupon Liquid Yield Option Notes due 2010	122.9	122.9	122.9
6.25% public Dealer Remarketable Securities ("Drs.") due 2013 ..	763.4	763.4	763.4
9.5% public debentures due 2022	49.0	49.0	49.0
8.0% public debentures due 2023	50.0	50.0	50.0
7.0% public notes due 2028	492.0	492.0	492.0
Capital lease obligations-US Surgical	—	73.9	73.9
5.875% private placement notes due 2004	—	—	397.3
6.125% private placement notes due 2008	—	—	394.4
Other	287.4	308.4	308.4
Total debt	4,503.2	5,899.2	5,899.2
Less current portion	310.0	308.1	308.1
Total long-term debt	\$4,193.2	\$ 5,591.1	\$ 5,591.1
Shareholders' equity:			
Common shares, \$0.20 par value, 1,503,750,000 shares authorized; 585,479,856 shares outstanding (644,151,917 shares outstanding on a pro forma basis), net of 5,003,294 shares owned by subsidiaries ..	117.1	128.8	128.8
Capital in excess:			
Share premium	3,490.3	3,490.3	3,490.3
Contributed surplus, net of deferred compensation of \$2.1	2,461.9	3,367.9	3,367.9
Currency translation adjustment	(258.9)	(292.1)	(292.1)
Unrealized gain on marketable securities	—	3.3	3.3
Accumulated earnings (deficit)	(71.3)	322.5	322.5
Total shareholders' equity	5,739.1	7,020.7	7,020.7
Total capitalization	\$9,932.3	\$12,611.8	\$12,611.8

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth (i) selected consolidated historical financial data of Tyco, (ii) selected consolidated historical financial data of US Surgical which merged with Tyco on October 1, 1998 and (iii) selected Tyco and US Surgical unaudited pro forma combined financial information which gives effect to the Tyco-US Surgical merger in accordance with the pooling of interests method of accounting. The selected consolidated financial data for Tyco reflects the combined results of operations and financial position of Tyco, Former Tyco and Keystone, which was acquired in fiscal 1997, restated for all periods presented pursuant to the pooling of interests method of accounting. The selected consolidated financial data prior to January 1, 1997, does not reflect the results of operations and financial position of INBRAND, which was acquired in 1997 and accounted for under the pooling of interests method of accounting, due to immateriality. The data presented for Tyco for the nine months ended June 30, 1998 and 1997 are unaudited and, in the opinion of Tyco's management, include all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of such data. Tyco's results for the nine months ended June 30, 1998 are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 1998. The information for US Surgical has been derived from US Surgical's audited financial statements for the fiscal years ended December 31, 1995, 1996 and 1997 and US Surgical's unaudited financial statements for the six months ended June 30, 1998 and June 30, 1997.

The unaudited pro forma information is presented for illustrative purposes only and is not indicative of the operating results or financial position that would have occurred if the Tyco-US Surgical merger had been consummated at the dates indicated, nor is it necessarily indicative of future operating results of the combined company.

The information set forth in the tables is only a summary. The information should be read in conjunction with the historical financial statements and related notes contained in the annual, quarterly and other reports of Tyco and US Surgical, and with the unaudited pro forma combined condensed financial information with respect to Tyco's acquisition of US Surgical and the notes thereto, incorporated by reference into this Offering Memorandum. See "Where You Can Find More Information."

Selected Consolidated Historical Financial Data of Tyco

	Nine Months Ended		Nine Months Ended	Year Ended	Year Ended
	June 30, 1998	June 30, 1997	September 30, 1997(1)	December 31, 1996(2)	December 31, 1995(2)
	(dollars in millions, except per share amounts)				
Consolidated Statements of Operations Data:					
Net sales	\$ 8,774.5	\$ 7,111.5	\$ 7,588.2	\$ 8,103.7	\$ 6,915.6
Cost of sales	5,782.6	4,778.2	5,102.6	5,475.2	4,665.3
Selling, general and administrative expenses	1,625.8	1,484.7	1,534.9	1,656.5	1,495.4
Merger, restructuring and other non-recurring charges	—	293.9	917.8	246.1	97.1
Charge for the impairment of long-lived assets	—	—	148.4	744.7	8.2
Write-off of purchased in-process research and development	—	—	361.0	—	—
Operating income (loss)(3)(4)(5)	1,366.1	554.7	(476.5)	(18.8)	649.6
Interest income	21.1	23.8	24.2	31.5	19.0
Interest expense	(156.4)	(136.5)	(137.5)	(193.3)	(187.5)
Other income less expenses	—	118.4	—	119.4	(5.0)
Income (loss) before income taxes and extraordinary items	1,230.8	560.4	(589.8)	(61.2)	476.1
Income taxes	(393.6)	(206.5)	(187.0)	(235.5)	(208.6)
Income (loss) before extraordinary items	837.2	353.9	(776.8)	(296.7)	267.5
Extraordinary items, net of taxes	(2.2)	(2.6)	(58.3)	(8.4)	(12.4)
Net income (loss)	835.0	351.3	(835.1)	(305.1)	255.1
Dividends on preference shares	—	(0.1)	—	(0.3)	(0.3)
Net income (loss) available to common shareholders	\$ 835.0	\$ 351.2	\$ (835.1)	\$ (305.4)	\$ 254.8
Basic earnings per share(6):					
Income (loss) before extraordinary items	\$ 1.49	\$.70	\$ (1.50)	\$ (.62)	\$.58
Extraordinary items, net of taxes	—	(.01)	(.11)	(.02)	(.03)
Net income (loss)	1.48	.70	(1.61)	(.64)	.55
Diluted earnings per share(6):					
Income (loss) before extraordinary items	\$ 1.45	\$.68	\$ (1.50)	\$ (.62)	\$.57
Extraordinary items, net of taxes	—	—	(.11)	(.02)	(.03)
Net income (loss)	1.44	.68	(1.61)	(.64)	.54
Cash dividends per common share(6)(7)	\$.075	—	see (7) below	—	—
Consolidated Balance Sheet Data:					
Working Capital	\$ 334.9	—	\$ 117.0	\$ 292.7	\$ 777.1
Total assets	15,510.5	—	10,447.0	8,471.3	7,357.8
Long-term debt	4,193.2	—	2,480.6	1,878.4	1,760.7
Convertible redeemable preference shares	—	—	—	—	4.9
Shareholders' equity	5,739.1	—	3,429.4	3,288.6	3,342.7

- (1) In September 1997, Tyco changed its fiscal year end from December 31 to September 30. Accordingly, the nine-month transition period ended September 30, 1997 ("Fiscal 1997") is presented.
- (2) On July 2, 1997, Tyco (formerly, ADT) merged with Former Tyco. On August 27, 1997 and August 29, 1997, Tyco merged with INBRAND and Keystone, respectively. These three combinations are more fully described in Notes 1 and 2 to the Consolidated Financial Statements contained in Tyco's Transition Report on Form 10-K for the nine-month period ended September 30, 1997 ("1997 Form 10-K"), incorporated herein by reference. Prior to their respective mergers, ADT and Keystone had a December 31 fiscal year end and Former Tyco had a June 30 fiscal year end. The historical results have been combined using a December 31 fiscal year end for ADT, Keystone and Former Tyco for the year ended December 31, 1996. For 1995, the results of operations and financial position reflect the combination of ADT and Keystone with a December 31 fiscal year end and Former Tyco with a June 30 fiscal year end. Net sales and net income for Former Tyco for the period July 1, 1995 through December 31, 1995 (which results are not included in the historical combined results) were \$2.46 billion and \$136.4 million, respectively.

- (3) Operating loss in Fiscal 1997 results includes charges related to merger, restructuring and other non-recurring costs of \$917.8 million and impairment of long-lived assets of \$148.4 million primarily related to the mergers and integration of ADT, Former Tyco, Keystone, and INBRAND. See Notes 11 and 15 to the Consolidated Financial Statements contained in Tyco's 1997 Form 10-K and incorporated herein by reference. Fiscal 1997 also includes a charge of \$361.0 million for the write-off of purchased in-process research and development related to the acquisition of the submarine systems business of AT&T Corp.
- (4) Operating loss in 1996 includes non-recurring charges of \$744.7 million related to the adoption of SFAS 121, \$237.3 million related principally to the restructuring of ADT's electronic security services business in the United States and United Kingdom and \$8.8 million of fees and expenses related to ADT's acquisition of Automated Security (Holdings) plc, a United Kingdom company. See Notes 11 and 15 to the Consolidated Financial Statements contained in Tyco's 1997 Form 10-K and incorporated herein by reference.
- (5) Operating income in 1995 includes a loss of \$65.8 million on the disposal of the European auto auction business and a gain of \$31.4 million from the disposal of the European electronic article surveillance business. See Note 3 to the Consolidated Financial Statements contained in Tyco's 1997 Form 10-K. Operating income also includes non-recurring charges of \$97.1 million for restructuring charges at ADT and at Keystone and for the fees and expenses related to the merger of Kendall International, Inc. and Former Tyco, as well as a charge of \$8.2 million relating to the divestiture of certain assets by Keystone. See Notes 11 and 15 to Consolidated Financial Statements contained in Tyco's 1997 Form 10-K and incorporated herein by reference.
- (6) Per share amounts for all periods presented have been restated to give effect to the mergers with Former Tyco, Keystone and INBRAND, including a 0.48133 reverse stock split effected on July 2, 1997, and a two-for-one stock split distributed on October 22, 1997, effected in the form of a stock dividend.
- (7) Tyco declared a dividend of \$0.025 per share in each of the first three quarters of fiscal 1998 and the third quarter of Fiscal 1997. Prior to ADT's merger with Former Tyco, ADT had not declared any dividends on its common shares since April 1991. Former Tyco declared quarterly dividends of \$0.025 per share in the first two quarters of Fiscal 1997 and aggregate dividends of \$0.10 per share in 1996 and 1995. Keystone declared quarterly dividends of \$0.19 per share in each of the three quarters in Fiscal 1997 and aggregate dividends of \$0.76 per share in 1996 and 1995. The payment of dividends by Tyco in the future will be determined by Tyco's Board of Directors and will depend on business conditions, Tyco's financial condition and earnings and other factors.

Selected Consolidated Historical Financial Data of US Surgical

	Six Months Ended June 30,		Year Ended December 31,		
	1998	1997	1997(1)	1996	1995
(dollars in millions, except per share amounts)					
Consolidated Statements of Operations Data:					
Net sales	\$ 681.2	\$ 574.6	\$1,172.1	\$1,112.7	\$1,022.3
Operating income	89.8	56.4	122.2	150.7	110.5
Income from continuing operations	54.1	47.6	94.1	109.1	79.2
Income from continuing operations per common share:					
Basic	\$ 0.71	\$ 0.62	\$ 1.24	\$ 1.48	\$ 1.05
Diluted	0.69	0.60	1.21	1.43	1.04
Cash dividends per common share	0.08	0.08	0.16	0.08	0.08
Consolidated Balance Sheet Data:					
Total assets	\$2,295.1		\$1,726.0	\$1,514.8	\$1,265.5
Long-term debt	568.8		131.3	142.4	256.5
Total stockholders' equity(2)	1,331.6		1,256.9	1,053.8	741.1

- (1) Operating income in 1997 includes charges of \$24.3 million for litigation and other related costs and \$17.8 million for restructuring charges.
- (2) Included in stockholders' equity in 1996 and 1995 is \$191.5 million of convertible preferred stock which had a liquidation value of \$200.0 million. The preferred stock was redeemed and converted into common stock on April 1, 1997.

**Selected Tyco and US Surgical Unaudited
Pro Forma Combined Condensed Financial Information**

	Nine Months Ended June 30,		Nine Months Ended September 30,	Year Ended December 31,	
	1998(1)	1997(1)	1997(1)	1996	1995
	(in millions, except per share amounts)				
Consolidated Statements of Operations Data:					
Net sales	\$ 9,758.2	\$7,969.2	\$ 8,457.8	\$9,216.4	\$7,937.9
Operating income (loss)	1,477.6	653.1	(376.0)	131.9	760.1
Income (loss) from continuing operations . . .	906.3	433.3	(697.7)	(187.6)	346.7
Income (loss) from continuing operations per common share(2)(3):					
Basic	\$ 1.46	\$ 0.77	\$ (1.23)	\$ (0.40)	\$ 0.65
Diluted	1.42	0.74	(1.22)	(0.40)	0.64
Cash dividends per common share(4)			see (4) below		
Consolidated Balance Sheet Data:					
Total assets	\$17,805.6		\$12,141.6	\$9,986.1	\$8,623.3
Long-term debt	4,762.0		2,613.2	2,020.8	2,017.2
Total shareholders' equity	7,020.7		4,659.3	4,342.4	4,083.8

- (1) In September 1997, Tyco changed its fiscal year end from December 31 to September 30. US Surgical had a calendar year end. For purposes of the pro forma financial information, the historical results for the nine months ended June 30, 1998 and 1997 and for the nine months ended September 30, 1997 have been combined using the results of Tyco and US Surgical for those periods.
- (2) See Notes (3) and (4) to "Selected Consolidated Historical Financial Data of Tyco" and Note (1) to "Selected Consolidated Historical Financial Data of US Surgical" for information on certain non-recurring items. On a pro forma combined basis, diluted income per common share for the nine months ended June 30, 1998 and 1997 before these non-recurring items is \$1.43 and \$1.00, respectively. On a pro forma combined basis, diluted income per common share for Fiscal 1997 and 1996 before these non-recurring items is \$1.07 and \$1.15, respectively.
- (3) The unaudited pro forma combined per share data are based on US Surgical stockholders receiving 0.7606 of a Tyco common share for each share of US Surgical common stock held.
- (4) Tyco declared a dividend of \$0.025 per share in each of the first three quarters of fiscal 1998 and in the third quarter of Fiscal 1997. Prior to the merger of Former Tyco and ADT, ADT had not declared any dividends on its common shares since April 1991. Former Tyco declared quarterly dividends of \$0.025 per share in the first two quarters of Fiscal 1997, and aggregate dividends of \$0.10 in 1996 and 1995. US Surgical declared dividends of \$0.04 per share in each of the three quarters in the nine months ended June 30, 1998 and in each of the three quarters in the nine months ended September 30, 1997, and aggregate dividends of \$0.08 per share in 1996 and 1995. The payment of dividends by Tyco in the future will be determined by Tyco's Board of Directors and will depend on business conditions, Tyco's financial conditions and earnings and other factors.